

**MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS  
COMMITTEE MEETING**

**WEDNESDAY, FEBRUARY 7, 2007, 4:00 P. M.**

**Room W135, West Office Building, State Capitol Complex**

Members Present: Sen. Lyle Hillyard, Committee Co-Chair  
Rep. Ron Bigelow, Committee Co-Chair  
Pres. John Valentine  
Sen. Curtis Bramble  
Sen. Gene Davis  
Sen. Mike Dmitrich  
Sen. Dan Eastman  
Sen. Pat Jones  
Sen. Sheldon Killpack  
Sen. Ed. Mayne  
Speaker Greg J. Curtis  
Rep. Ralph Becker  
Rep. David Clark  
Rep. Brad Dee  
Rep. Brad King  
Rep. David Litvack  
Rep. Carol Spackman Moss  
Rep. Gordon Snow  
  
Sen. Peter Knudson, Vice-Chair  
Rep. Becky Lockhart, Vice Chair

Staff Present: John Massey, Legislative Fiscal Analyst  
Bonnie Brinton, Secretary  
Norda Shepard, Secretary

Speakers Present: Sen. Bell and Rep. Holdaway  
Sen. Greiner and Rep. Morley  
Sen. Hickman and Rep. Allen  
Sen. Jenkins and Rep. Buxton  
Sen. Christensen and Rep. Newbold  
Sen. Stowell and Rep. Ferry  
Sen. Waddoups and Rep. Hutchings

A list of visitors and handouts are filed with the Committee minutes.

1. Call to Order—Co-Chair Hillyard called the meeting to order at 4:15 p.m. and explained the procedure of the meeting. He announced that overflow will be in Room 110, and that the

Committee would not be taking motions on the budgets today but would be hearing reports from each Subcommittee. Motions to adopt budgets and budget bills will be taken in a subsequent meeting.

The Co-Chair encouraged Committee members to study the information provided from each Subcommittee. If there are questions, it would be appropriate to go to the Subcommittee Co-Chairs personally to discuss concerns. Regarding handouts, it would be preferable that they be given individually to the Committee members rather than in this meeting.

John Massey, Legislative Fiscal Analyst, reviewed the information in the Budget Analysis binders.

Co-Chair Bigelow stated that the "draft" copies distributed should be discarded and the current information in the binders be used.

## 2. Subcommittee Reports and Approval of Base Budgets, Fees, and Intent Language

- a. Higher Education—Sen. Bell and Rep. Holdaway presented the report of the Subcommittee's recommendations. Sen. Bell expressed appreciation to the Subcommittee members and the staff for the experience of working together to accomplish this assignment. He stated that they have been aggressive in their requests for funding, but they felt it was well warranted.

The Senator discussed the ongoing priorities and expressed concern regarding the highly educated section of our workforce. He stated that there is some decline in that young people are not participating in the system of higher education or are not completing their education; and he feels something must be done to stem that trend. He stated that he felt the high cost of tuition was part of the reason. The Subcommittee is recommending that funding for compensation increases for faculty and staff salaries be funded 75% by State funds and 25% by tuition.

The business community has reported 800 open engineering positions in the State that cannot be filled. The Subcommittee's recommendation is for \$5,045,200 for the Engineering and Computer Science Initiative to help solve that shortage. The same solution is considered with the Nursing Initiative funding throughout the State.

Sen. Bell stated that Utah Education Network is the connective backbone of the State and is critical, and the Subcommittee is strongly urging that funding. He noted that the Network Infrastructure project and the I.P. Video project were in their last stages and that FY 2008 will be the final installments on these projects. An important item on the list is the SB 90 - Institutional Priorities Funding, which is a cooperative effort to provide schools with funding for their top priorities. Any

overlaps in SB 53 and HB 185 in Engineering Partnership and Institutional Partnerships have been separated out. Finally, there is a credit of \$535,700 for the Utah Electronic College Phase-out.

The one-time priorities were then addressed by Sen. Bell. He stated that there was a serious need to update software and the Subcommittee is requesting \$3 million for IT equipment. Another need is the Business Depot Ogden Lease. He also mentioned Sen. Hillyard's initiative for a Financial Aid Endowment of \$20 million.

Rep. Holdaway expressed his support for S.B. 90, Institutional Priorities and H.B. 185, Institutional Partnerships Funding. He stated that this is a result of lack of funding for programs in higher education. He also stated his concern for funding for the smaller colleges and universities and cited the partnerships between the College of Eastern Utah and Snow College and Utah State University.

Committee Co-Chair Hillyard asked if the Subcommittee had funded anything for Concurrent Enrollment. Rep. Holdaway responded that this item is funded under Public Education.

- b. Commerce and Workforce Services—Sen. Greiner and Rep. Morley presented the report of the Subcommittee's recommendations. Rep. Morley reported they had a prioritized list but are not numbered in order in the binder. He said the Subcommittee recommended \$3 million on-going and \$2 million one-time for general assistance. They met the Governor's recommendation of \$3.5 million for childcare and are requesting \$243,400 for three financial examiners in Insurance and \$35,000 for the Electronic Transaction Fees Sunset, also in Insurance. Next was \$1,100,000 ongoing for the HIPUtah program. The Subcommittee recommended \$100,000 for the Labor Commission to replace lost Federal Funds. He mentioned there were some concerns with the Labor Commission through an audit, and the Subcommittee made some vigorous demands that they comply with the audit. The Commission has given indications of how they will do that. The Subcommittee will be monitoring them until they come to compliance.

Sen. Davis asked how the HIPUtah was ranked and could it continue to perform with the requested funding. Sen. Greiner said the Co-Chairs would rank it as #7. He said the program has a six-month surplus at this point and will need to be reevaluated next year.

Rep. Morley said one-time funding was the \$2 million for General Assistance; a little over \$3 million for the eREP completion and \$96,000 to Digitize Workers' Comp. Claims. He said that the Medicaid Interim Committee asked the Commerce and Workforce Services and the Health and Human Services Subcommittee to review the proposed consolidation of eligibility workers in the Department of Health and Workforce Services. He reported that Commerce and Workforce Services passed the recommendation.

Co-Chair Bigelow asked the Subcommittee Co-Chairs to provide a prioritized list for the Committee.

Sen. Mayne commended the Subcommittee Co-Chairs for their excellent service.

- c. Economic Development and Revenue—Sen. Hickman and Rep. Allen presented the report of the Subcommittee's recommendations. The Subcommittee recommends that Executive Appropriations appropriate the funding currently set aside for the Industrial Assistance Fund of \$1,408,600 and also recommends the current funding set aside for the Tourism Marketing Fund of \$3 million for FY 2007 and \$6 million in FY 2008. The Subcommittee has made some internal reallocations, shifting \$805,600 to GOED Administration from Business Development. Rep. Allen said the Subcommittee funded some needs internally by reallocating existing resources, and that they would also like to request that if funding is appropriated for the Pamela Atkinson Homeless Trust Fund that intent language be formulated related to a creation of a plan for homeless youth in Southern Utah. She indicated there is a great need there. She also mentioned that the Huntsman Cancer Institute, although rated number 10, should still receive consideration.

Sen. Hickman said this is a fairly straight forward budget. He said he was sorry they can't address everyone's issues, but the Subcommittee had worked hard to do what it felt was best for the State. He thanked the staff for their excellent work.

- d. Capital Facilities and Government Operations—Sen. Jenkins and Rep. Buxton presented the report of the Subcommittee's recommendations. Rep. Buxton stated that the Subcommittee decided to keep the same priority list as the Building Board provided. Also, no design money was prioritized this year, as there were no projects ready for this funding.

Sen. Jenkins addressed operating budgets and stated that the Subcommittee funded some of the budgets by reallocating money from existing budgets. As a result, a small list of priorities is being presented. The Subcommittee considered limited nonlapsing intent language for some line items but followed directions from the Executive Appropriations Committee (EAC) to authorize as much as possible from the current fiscal year.

Pres. Valentine referred to the Utah Festival Opera Renovations, Open Space Preservation and the Veterans Nursing Home request and asked why they were not included on the Capital Development priority list. Rep. Buxton explained that these projects were brought to the Subcommittee at the last minute and too late to be included on that list. Pres. Valentine then asked how they would fit with the Capital Development prioritization list. Rep. Buxton stated that the Subcommittee gave a high prioritization to State Building Energy Efficiency Opportunities, Re-Opening of Capitol -Visitor Services, and Re-Opening of Capitol - Special Events. The other four items would be at the bottom of the list. Sen. Jenkins explained that these requests came to the

Subcommittee so late that the Building Board did not have a chance to review them or place them on a priority list.

Speaker Curtis asked about the Open Space Preservation request for \$2 million. Rep. Buxton responded that this item is the LeRay McAllister Fund. The Subcommittee placed it on a priority list so the Executive Appropriations Committee would have the opportunity to fund this request. Rep. Buxton further stated that Rep. Clark was sponsoring a bill to support the LeRay McAllister Fund.

- e. Health and Human Services—Sen. Christensen and Rep. Newbold presented information in a handout regarding Medicaid Interim Committee recommendations and explained the recommendations.

Sen. Christensen and Rep. Newbold presented the report of the Subcommittee's recommendations. Rep. Newbold indicated that at the request of Executive Appropriations, the priority list for both the Department of Health and the Department of Human Services had been compiled into one list. She said the Health and Human Services Subcommittee did not make a recommendation one way or another on the proposed Eligibility Consolidation. The Subcommittee was evenly split. She said, however, that as the Co-Chairs, she and Sen. Christensen would like to support the consolidation with two reservations: (1) that there be assurance that sufficient training is given, and (2) that positions in outreach locations not be removed or eliminated so there will still be easy access to Medicaid eligibility.

Rep. Newbold reported there was a motion taken in the last Subcommittee meeting that 8% of State surplus funds be allocated to building blocks for the Departments of Health and Human Services. This was not supported by the Co-Chairs but was supported by the majority of the Subcommittee members.

Rep. Newbold stressed that one very important priority was provider reimbursement rate increases. In order to provide needed services in Health and Human Services, providers are needed and without sufficient increases the State continues to lose providers.

Sen. Christensen discussed the proposed Preferred Drug List (PDL) (SB 42). He said this would bring hope for Medicaid savings in the future. Intent language was passed in the Subcommittee with a request that dentist and physician provider rates be increased for mandatory programs up to the level of \$5,900,000, General Fund, and be funded only as actual savings are received from the PDL.

Pres. Valentine asked about the provider rate recommendations from the PDL savings. He was informed this would bring dentist rates to 70 percent of PEHP reimbursement

rates. Intent language allocates additional savings to physicians. Sen. Davis asked if it was PEHP average or a specific program. (It is compared to the PEHP preferred rate.)

Internal reallocations will be used to fund 12 FTEs, 12 vehicles, and to fund the David C. court monitor in the Department of Human Services. The Analysts were asked to prepare a summary of the internal reallocation of resources.

Co-Chair Hillyard stated that the Co-Chairs of this Subcommittee have a very difficult job and thanked them for their service to the citizens of the State.

- f. Natural Resources—Sen. Stowell and Rep. Ferry presented the report of the Subcommittee's recommendations. Rep. Ferry began by discussing the ongoing requests. The top priority for this Subcommittee is the Department's Compensation Adjustment request for \$589,300. He referred to the requests for \$2 million each for HB 102 - Watershed/GIP for Agriculture and Natural Resources. He stated the support of the Subcommittee for these requests.

Co-Chair Bigelow asked about the \$100,000 request for the This Is The Place Heritage Park. He stated that with funding in the past, he was of the opinion that they would not need additional funding. Rep. Ferry stated that there have been significant changes at the Park and funding is needed. This \$100,000 would be a restoration of money allocated in FY 2002 and then not funded because of budget shortfalls at that time.

Sen. Stowell addressed the one-time requests. He stated that the number one request was for fire suppression costs of \$8,225,000. In conjunction with this request is the request for \$1 million in reseeding funding. Further, he referred to the Snake Valley Project and H.B. 134 - Snake Valley Wells as a priority the Subcommittee has identified as critical. The money would be used for a study concerning drilling a well to provide water and to reimburse funds spent to bring the water rights up to date.

Committee Co-Chair Hillyard asked about a bill which would provide the funding for people over 65 to get in to the State Parks without paying a fee. He asked if the Subcommittee had addressed this issue. Rep. Ferry stated that it was addressed but not prioritized.

Rep. Ferry discussed the revenue generated by fees in Natural Resources. If S.B. 161 regarding these fees does not pass, this Subcommittee will have to revisit their priority list. In response to a question from Rep. Dee, Rep. Ferry stated that the fees have been restructured, some have been raised and some have been lowered.

- g. Executive Offices and Criminal Justice—Sen. Waddoups and Rep. Hutchings presented the report of the Subcommittee's recommendations. Sen. Waddoups noted the Verification Fees which resulted in an increase of \$225,375. He then referred to the

ongoing Building Block list of 42 items, five of which are listed before the prioritized list which he asked the EAC to consider as mandates. Also, on the one-time priority list, the first six items are in the Attorney General's Office and are also considered as mandates. Sen. Waddoups pointed out the request from the Courts for the Guardian ad Litem (GAL) Staffing funding of \$814,900. An audit revealed that the GAL Caseload Management System is in place but will take time to get measurable data. This request is for about half of what was requested from the Courts.

Speaker Curtis asked about funding for the Juvenile Justice Services (DJJS). Rep. Hutchings stated that the \$1,666,200 request is for DJJS Targeted Case Management loss of federal funds. The second loss of funds is the DJJS Services Funding Shift request for \$1,320,200, which has been a slush fund that is disappearing. Another request for this Division is for Sex Offender Treatment in the amount of \$1,490,200. If these requests are funded, the Division would be back to their original base budget. Discussion continued regarding federal programs that begin and then lose federal funding creating a gap for the State to fill in.

**MOTION:** Vice Chair Lockhart moved to adjourn.

Co-Chair Hillyard adjourned the meeting at 6:15 p.m.

Minutes reported by Bonnie Brinton and Norda Shepard, Committee Secretaries.

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Lyle W. Hillyard, Co-Chair

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Rep. Ron Bigelow, Co-Chair